

## Comparing Solar PV Leasing, PPAs, and Prepaid

<b>\$0 Down Lease/PPA</b>	<b>Down Payment Lease/PPA</b>	<b>Prepaid Lease or PPA</b>
<p><b>How does it work?</b></p> <ul style="list-style-type: none"> <li>Fixed monthly rental payment for the system.</li> <li>Annual escalation: Lease payment may increase every year.</li> <li>Fixed cost per kWh with annual escalation.</li> </ul>	<p><b>How does it work?</b></p> <ul style="list-style-type: none"> <li>Small down payment in exchange for lower monthly payment (lease) or a lower rate per kWh (PPA).</li> <li>Costs may be fixed for the term of the contract.</li> </ul>	<p><b>How does it work?</b></p> <ul style="list-style-type: none"> <li>The entire lease or PPA payments are paid upfront.</li> <li>No further payments for the duration of the lease or contract.</li> <li>Similar cost as purchase, but company owns and maintains the system.</li> </ul>
<p><b>Pros</b></p> <ul style="list-style-type: none"> <li>\$0 upfront cost.</li> <li>10% to 50% savings compared to utility rates.</li> <li>Reduction in carbon footprint.</li> <li>Company maintains the system.</li> <li>Homeowners can track system performance with mobile app.</li> </ul>	<p><b>Pros</b></p> <ul style="list-style-type: none"> <li>Get a solar PV system with small down payment.</li> <li>10% to 50% savings compared to utility rates.</li> <li>Lower kWh rate than \$0 down lease/PPA.</li> <li>Company may offer fixed rate for duration.</li> <li>Reduction in carbon footprint.</li> <li>Company maintains the system.</li> <li>Homeowners can track system performance with mobile app.</li> </ul>	<p><b>Pros</b></p> <ul style="list-style-type: none"> <li>30% to 50% less than purchase.</li> <li>Price is net of applicable rebates, incentives, and credits.</li> <li>50% to 80% savings compared to utility rates.</li> <li>Reduction in carbon footprint.</li> <li>Company maintains the system.</li> <li>Homeowners can track system performance with mobile app.</li> <li>May allow benefit from the sale of SRECs directly or through a reduction of upfront cost.</li> </ul>
<p><b>Cons</b></p> <ul style="list-style-type: none"> <li>Leasing company gets most of the financial benefits—rebates, federal and state tax credits, incentives, and SRECs belong to the leasing company.</li> <li>Prices may increase yearly, but usually less than utility.</li> <li>If the homeowner sells the home before the end of the lease/PPA term and opts not to purchase the system, the seller must make sure the buyer is credit-worthy and willing to assume the solar lease/PPA.</li> </ul>		<p><b>Cons</b></p> <ul style="list-style-type: none"> <li>Large initial outlay similar to purchasing the system.</li> </ul>

Adapted from "Types of Solar Leases and PPAs: \$0-Down, Prepaid, and Custom Down Payment," [www.energysage.com/solar/financing/types-of-solar-leases-and-ppas](http://www.energysage.com/solar/financing/types-of-solar-leases-and-ppas).